

JUDGE WOODS

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

COGNIZANT WORLDWIDE LIMITED and  
COGNIZANT TECHNOLOGY SOLUTIONS  
U.S. CORPORATION,

Plaintiffs,

v.

BARRETT BUSINESS SERVICES, INC.,

Defendant.

Case No.

JURY TRIAL DEMANDED

19 CV 01664

COMPLAINT

Plaintiffs Cognizant Worldwide Limited and Cognizant Technology Solutions U.S. Corporation (collectively, "Cognizant"), bring this action against Barrett Business Services, Inc. ("BBSI"), and allege as follows:

I. NATURE OF THE ACTION

1. This is an action to recover amounts that BBSI has refused to pay Cognizant for services rendered under the parties' contract, under which Defendant BBSI retained Cognizant to provide preliminary advice and a diagnostic evaluation regarding the implementation of a cloud-based software product that BBSI purchased from Oracle America, Inc. ("Oracle").

2. Oracle is a computer technology company that, *inter alia*, develops and markets database software and cloud-based data systems. Oracle is not a party to this Action, and no agency relationship exists between Oracle and Cognizant. Oracle and Cognizant do not share employees.

3. Under Cognizant's contract with BBSI, Cognizant agreed to provide specific "deliverables" to BBSI. [REDACTED]

[REDACTED]

[REDACTED] Cognizant provided BBSI with all deliverables required under the contract, and BBSI

accepted those deliverables. Pursuant to the contract, Cognizant billed BBSI a total of \$425,057.38 for these deliverables. BBSI has refused to pay \$294,388.73 of the amount due. Cognizant brings this Action to recover the amount that BBSI owes under the contract, plus appropriate interest.

## **II. PARTIES**

4. Plaintiff Cognizant Worldwide Limited is, and at all times mentioned in this Complaint was, a private limited company incorporated under the laws of England and Wales, with its principal place of business in London, United Kingdom.

5. Plaintiff Cognizant Technology Solutions U.S. Corporation is, and at all times mentioned in this Complaint was, a corporation formed under the laws of Delaware, with its principal place of business in Texas.

6. Defendant BBSI is, and at all times mentioned in this Complaint was, a corporation formed under the laws of the State of Maryland, with its principal place of business in the State of Washington.

## **III. JURISDICTION AND VENUE**

7. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332 because the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs, and is between citizens of different States and between citizens of a State and citizens of a foreign state.

8. Venue is proper in this District under 28 U.S.C. § 1391, because Defendant is a resident of and/or conducts business in this District and because Defendant consented to venue in this Court in the July 21, 2017 Master Services Agreement (the “MSA”) (attached as Ex. 1) governing this dispute.

9. This Court has personal jurisdiction over Defendant because Defendant consented to the jurisdiction of this Court in the MSA governing this dispute.

#### IV. FACTUAL ALLEGATIONS

10. Cognizant is a multi-national company that provides information technology services, including digital, technology, consulting, and operations service.

11. BBSI is a publicly traded company that provides business management services, including payroll management and other administrative services. BBSI's headquarters is located in Washington state and it supports clients through a network of branch locations located throughout the United States.

##### **BBSI's Discussions with Cognizant Regarding an Upgrade to Its Information Technology Systems**

12. [REDACTED]  
[REDACTED]  
[REDACTED]

13. [REDACTED]  
[REDACTED]

14. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

15. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

16. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

17. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

18. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

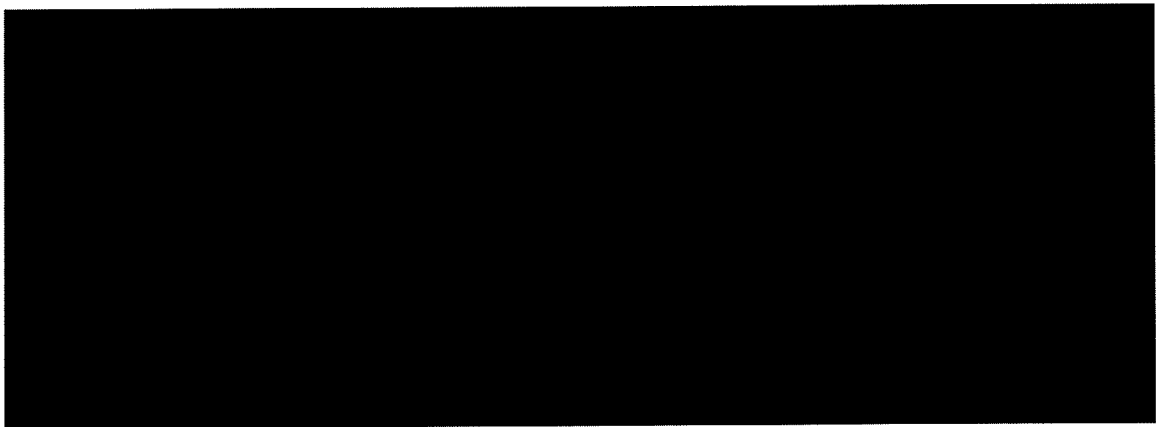
19. [REDACTED]

[REDACTED]<sup>1</sup>  
20. [REDACTED]  
[REDACTED]  
[REDACTED]

#### **BBSI Enters Contracts with Oracle and Cognizant**

21. On information and belief, BBSI entered into a contract with Oracle for the purchase of an upgraded, cloud-based software package in February 2018. Cognizant is not a party to that contract and was not involved in any way in the negotiation of the terms of that contract.

22. BBSI and Cognizant had a pre-existing relationship that pre-dated the dispute set forth in this Complaint. In connection with that relationship, Cognizant Worldwide Limited and BBSI had entered into the MSA on July 21, 2017. That MSA was an overarching agreement governing any and all services that Cognizant would provide for BBSI. In connection with specific projects, the MSA states in section 1.1 that Cognizant and BBSI:



23. In March 2018, Cognizant Worldwide Limited and BBSI entered into a Statement of Work #CTS001 (“SOW”) (attached as Ex. 2), relating to the implementation of the Oracle cloud

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<sup>1</sup> “PaaS” is an industry abbreviation of “Platform as a Service,” which refers to a category of cloud-based computing services that provide a platform on which customers can develop, run, and manage applications.

product. That SOW was signed by BBSI on March 9, 2018 and by Cognizant on March 13, 2018.

Consistent with section 1.1 of the MSA, the SOW states that [REDACTED]

[REDACTED]

24. The SOW was entitled “BBSI Oracle Cloud HCM / ERP Accelerate” and applied only to the initial “Accelerate” phase of the project. Consistent with the parties’ prior discussions, the SOW set forth [REDACTED]

[REDACTED]

Ex. 2 at 5-6.

25. The SOW also sets forth [REDACTED]

[REDACTED]

*Id.* at 2.

26. Similarly, section 1.2 of the MSA states: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] Ex. 1 § 1.2.

27. The SOW [REDACTED]  
[REDACTED]

28. Under section 3.1 of the MSA, BBSI was required to [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

29. On May 9, 2018, Cognizant and BBSI [REDACTED]  
[REDACTED]  
[REDACTED]

**Cognizant Provided BBSI with All Deliverables Required Under the MSA and SOW  
and BBSI Accepted Those Deliverables**

30. Cognizant provided BBSI with all of the deliverables set forth in the SOW on or about the dates set forth in the table below. BBSI either expressly approved those deliverables in writing on or about the dates set forth in the table below [REDACTED]  
[REDACTED]  
[REDACTED]

Deliverable stated in SOW	Deliverable(s) provided	Acceptance
[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]



**BBSI Dramatically Changed the Scope of the Implementation Project  
After Many of the Deliverables in the Accelerate Phase Were Provided and Accepted**

31. While Cognizant's work on the Accelerate was ongoing – and in fact after many of the deliverables had been provided and accepted by BBSI – BBSI raised the possibility of substantially expanding the scope of the post-Accelerate implementation project.

32. In a meeting on May 24, 2018, BBSI made clear for the first time the scope of this dramatic expansion. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

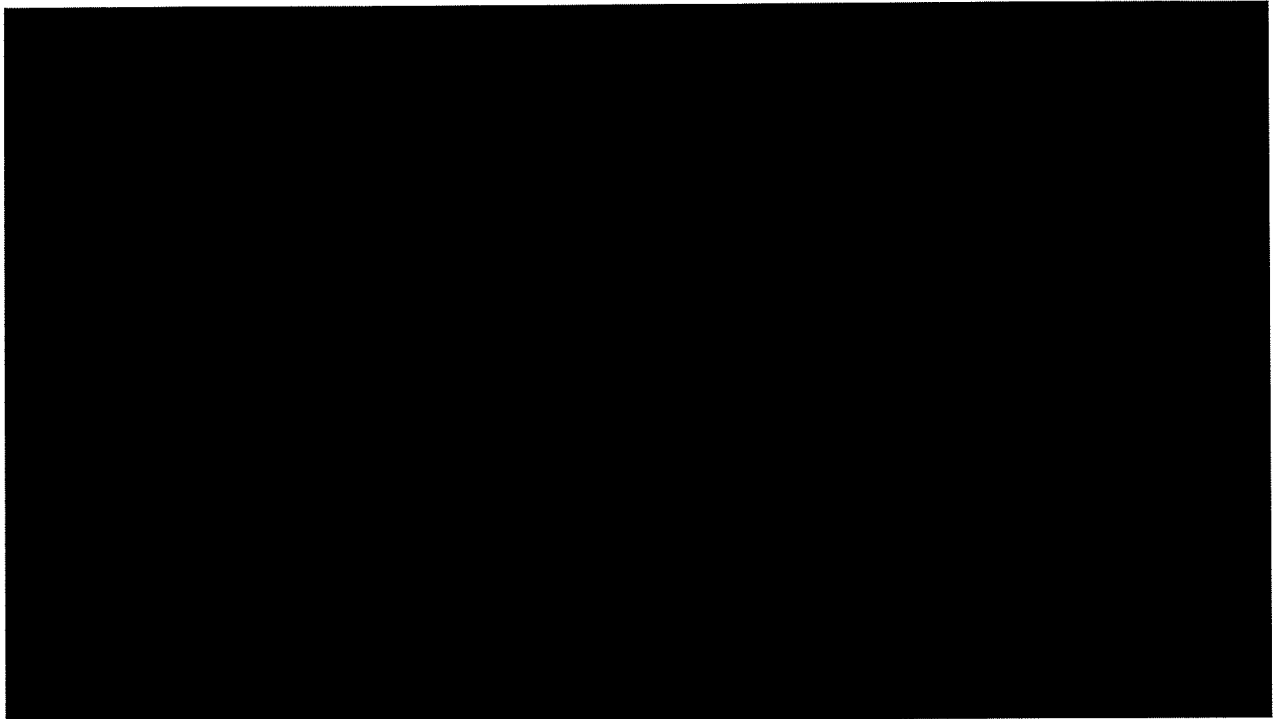
[REDACTED]

33. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



34. [REDACTED]

[REDACTED]

35. The June 25 presentation also highlighted certain options and possible customizations that BBSI would have to choose between if the project were to go forward, including [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

36. After the June 25, 2018 presentation, BBSI indicated that it would not proceed with the Oracle cloud product or Cognizant's implementation of that product.

**BBSI Has Refused to Pay the Amounts Due Under the MSA and SOW**

37. Over the course of its engagement by BBSI, Cognizant invoiced BBSI a total of \$425,057.38 for the work Cognizant performed pursuant to the MSA and SOW, as follows:

Invoice #	Invoice Date	Due Date	Amount
CW 101-0000091392	April 23, 2018	May 23, 2018	\$12,970.00
CW 101-0000092983	April 30, 2018	May 30, 2018	\$134,668.65
CW 101-0000109863	May 31, 2018	June 30, 2018	\$43,698.50
CW 101-0000109942	May 31, 2018	June 30, 2018	\$172,547.55
CW 101-0000114226	June 30, 2018	July 30, 2018	\$45,560.70
CW 101-0000121782	July 5, 2018	August 4, 2018	\$19,611.98

38. Section 3.1 of the MSA provides [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

39. Nonetheless, BBSI has made only the following payments for work conducted under the MSA and SOW:

Invoice #	Invoice Date	Payment Date	Amount
CW 101-0000091392	April 23, 2018	July 17, 2018	\$5,137.10
CW 101-0000092983	April 30, 2018	July 27, 2018	\$134,668.65

40. On December 7, 2018, Cognizant notified BBSI by letter that it had failed to pay for the deliverables under the MSA and SOW and that the relevant invoices totaled \$294,388.73. The December 7, 2018 letter further stated that BBSI's non-payment of Cognizant's pending invoices constituted a material breach of the MSA and SOW, and the letter demanded that BBSI provide full payment within 30 days of that letter.

41. As of the date of filing, BBSI has not made any additional payments to Cognizant.

## **V. CLAIMS FOR RELIEF**

### **COUNT ONE** **Breach of Contract**

42. Cognizant re-alleges paragraphs 1 through 41 of this Complaint, as though fully set forth herein.

43. Cognizant and BBSI were parties to the valid and binding MSA and SOW, pursuant to which the parties agreed that Cognizant would provide specified deliverables to BBSI in exchange for payment.

44. Cognizant provided those deliverables to BBSI, pursuant to the MSA and SOW.

45. BBSI accepted the deliverables provided to it by Cognizant under the MSA and SOW.

46. Notwithstanding Cognizant's performance under the terms of the MSA and SOW, and BBSI's acceptance of that performance, BBSI has failed to make payments required by the

contracts in the amount of at least \$294,388.73, plus contractual and any applicable pre-judgment interest.

47. As a result of BBSI's continued non-payment for services delivered by Cognizant, Cognizant has been harmed in the amount of at least \$294,388.73, excluding contractual interest and any applicable pre-judgment interest.

48. WHEREFORE, Cognizant requests the Court to enter judgment in its favor against Defendant BBSI, awarding all damages, in an amount to be proven at trial, costs, and such other relief as the Court deems appropriate and just.

**COUNT TWO**  
**Unjust Enrichment**

49. Cognizant re-alleges paragraphs 1 through 41 of this Complaint, as though fully set forth herein.

50. Cognizant conferred a valuable benefit on BBSI by providing advice and other services to BBSI, including the deliverables described herein, at BBSI's request.

51. BBSI accepted and benefited from the advice, services, and deliverables Cognizant provided to it.

52. The advice, services, and deliverables Cognizant provided to BBSI at Cognizant's expense were worth at least \$425,057.38, in which amount Cognizant timely billed BBSI.

53. Despite BBSI's acceptance of Cognizant's advice, services, and deliverables, and despite the benefits Cognizant thereby conferred on BBSI, BBSI has failed to pay at least \$294,388.73 of the amounts billed and owing, plus any applicable pre-judgment interest.


54. Equity and good conscience require that BBSI pay restitution to Cognizant in the amount of at least \$294,388.73 plus any applicable pre-judgment interest.

WHEREFORE, Cognizant requests the Court to enter judgment in its favor against Defendant BBSI, awarding all damages or restitution, in an amount to be proven at trial, costs, and such other relief as the Court deems appropriate and just.

**Jury Demand**

Plaintiff hereby demands a trial by jury of all issues properly triable.

Dated: February 22, 2019

By: 

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